

# COMMITTEE REPORT

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## MADAM PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Engrossed Senate Bill No. 339, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 alcohol and tobacco.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 7.1-1-3-18.5 IS ADDED TO THE INDIANA
- 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 7 [EFFECTIVE JULY 1, 2007]: **Sec. 18.5. "Grocery store" means a**
- 8 **store or part of a store that:**
- 9 **(1) has the primary North American Industry Classification**
- 10 **System (NAICS) classification 445110, 452910, 445120, or**
- 11 **447110; or**
- 12 **(2) offers for sale all of the following:**
- 13 **(A) Fine wines.**
- 14 **(B) Specialty beers.**
- 15 **(C) Gourmet cooking and wine accessories.**
- 16 **(D) Meats.**
- 17 **(E) Cheeses.**
- 18 **(F) Packaged specialty foods.**
- 19 SECTION 2. IC 7.1-3-5-4 IS ADDED TO THE INDIANA CODE
- 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 21 1, 2007]: **Sec. 4. Notwithstanding IC 7.1-1-3-18.5, the commission**
- 22 **may renew or transfer ownership of a beer dealer's permit for a**
- 23 **beer dealer who:**
- 24 **(1) held a permit before July 1, 2007; and**
- 25 **(2) does not qualify for a permit as a grocery store under**

1 **IC 7.1-1-3-18.5.**

2 SECTION 3. IC 7.1-3-10-7 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) The holder of a  
4 liquor dealer's permit shall be entitled to purchase liquor only from a  
5 permittee entitled to sell to a liquor dealer under this title.

6 (b) A liquor dealer shall be entitled to possess liquor and sell it at  
7 retail in its original package to a customer only for consumption off the  
8 licensed premises.

9 **(c) This subsection does not apply to a package liquor store.**  
10 **Liquor shall be displayed in a designated area separated from the**  
11 **area where nonalcoholic retail merchandise is displayed. A minor**  
12 **may not enter the designated area without a parent or guardian**  
13 **who is at least twenty-one (21) years of age. The designated area**  
14 **shall be monitored by an employee who, as part of the employee's**  
15 **job responsibilities, shall ensure that a minor does not enter the**  
16 **designated area without a parent or guardian who is at least**  
17 **twenty-one (21) years of age.**

18 ~~(c)~~ (d) A liquor dealer may deliver liquor only in permissible  
19 containers to a customer's residence or office in a quantity that does not  
20 exceed twelve (12) quarts at any one (1) time. However, a liquor dealer  
21 who is licensed under IC 7.1-3-10-4 may deliver liquor in permissible  
22 containers to a customer's residence, office, or designated location.  
23 This delivery may only be performed by the permit holder or an  
24 employee who holds an employee permit. The permit holder shall  
25 maintain a written record of each delivery for at least one (1) year that  
26 shows the customer's name, location of delivery, and quantity sold.

27 ~~(d)~~ (e) A liquor dealer may not sell or deliver alcoholic beverages  
28 or any other item through a window in the licensed premises to a patron  
29 who is outside the licensed premises. However, a liquor dealer that is  
30 a drug store may sell prescription drugs and health and beauty aids  
31 through a window in the licensed premises to a patron who is outside  
32 the licensed premises.

33 SECTION 4. IC 7.1-3-22-4 IS AMENDED TO READ AS  
34 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. ~~Dealers' Permits~~  
35 ~~Limited.~~ (a) The commission may grant ~~only one~~ (1):

36 (1) beer dealer's permit **in an incorporated city, town, or**  
37 **unincorporated town for each four thousand (4,000) persons,**  
38 **or fraction thereof, within the incorporated city, town, or**  
39 **unincorporated town; and ~~one~~ (1)**

40 (2) liquor dealer's permit in an incorporated city, town, or  
41 unincorporated town for each one thousand five hundred (1,500)  
42 persons, or fraction thereof, within the incorporated city, town, or  
43 unincorporated town.

44 **(b) Notwithstanding subsection (a), the commission may renew**  
45 **or transfer a beer dealer's or liquor dealer's permit for a beer**  
46 **dealer or liquor dealer who:**

47 (1) held a permit before July 1, 2007; and

48 (2) does not qualify for a permit under the quota restrictions  
49 in subsection (a).

50 SECTION 5. IC 7.1-4-4.1-1 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The alcohol and tobacco commission shall issue an annual registration of a primary source of supply (as defined in IC 7.1-1-3-32.5) ~~without charge for an annual fee of one thousand dollars (\$1,000). All fees collected under this section shall be deposited in the commission's enforcement and administration fund under IC 7.1-4-10.~~

SECTION 6. IC 7.1-4-7-4, AS AMENDED BY P.L.224-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in subsection (b), the chairman and the department shall deposit the money collected under sections 1, 2, and 3 of this chapter daily with the treasurer of state, and not later than the fifth day of the following month shall cover:

(1) thirty-four percent (34%) of the money collected under section 1 of this chapter into the enforcement and administration fund established under IC 7.1-4-10-1; and

(2) sixty-six percent (66%) of the money collected under section 1 of this chapter and money collected under sections 2 and 3 of this chapter into the state general fund for state general fund purposes.

(b) The chairman and the department shall deposit all money collected under IC 7.1-2-5-3, IC 7.1-2-5-8, IC 7.1-3-17.5, IC 7.1-3-17.7, IC 7.1-3-22-9, **IC 7.1-4-4.1-1**, and IC 7.1-4-4.1-5 daily with the treasurer of state, and not later than the fifth day of the following month shall cover the money into the enforcement and administration fund established under IC 7.1-4-10-1.

SECTION 7. IC 7.1-5-7-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 16. The commission shall conduct random unannounced inspections at locations where alcoholic beverages are sold or distributed to ensure compliance with this title. Only the commission, an Indiana law enforcement agency, the office of the sheriff of a county, or an organized police department of a municipal corporation may conduct the random unannounced inspections. These entities may use retired or off duty law enforcement officers to conduct inspections under this section.**

SECTION 8. IC 7.1-5-7-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 17. (a) Notwithstanding any other law, an enforcement officer vested with full police powers and duties may engage a person who is:**

**(1) at least eighteen (18) years of age; and**

**(2) less than twenty-one (21) years of age;**

**to receive or purchase alcoholic beverages as part of an enforcement action under this article.**

**(b) The initial or contemporaneous receipt or purchase of an alcoholic beverage under this section by a person described in subsection (a) must:**

**(1) occur under the direction of an enforcement officer vested with full police powers and duties; and**

**(2) be a part of the enforcement action.**

SECTION 9. IC 35-46-1-10.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10.1. (a) If a permittee or an agent or employee of a permittee violates IC 7.1-5-7-8 on the licensed premises, in addition to any other penalty, a civil judgment may be imposed as follows:**

(1) If the licensed premises at that specific business location has not been issued a citation or summons for a violation of this section in the previous ninety (90) days, a civil penalty of one hundred fifty dollars (\$150).

(2) If the licensed premises at that specific business location has had one (1) citation or summons issued for a violation of this section in the previous ninety (90) days, a civil penalty of two hundred fifty dollars (\$250).

(3) If the licensed premises at that specific business location has had two (2) citations or summonses issued for a violation of this section in the previous ninety (90) days, a civil penalty of five hundred dollars (\$500).

(4) If the licensed premises at that specific business location has had three (3) or more citations or summonses issued for a violation of this section in the previous ninety (90) days, a civil penalty of seven hundred fifty dollars (\$750).

A permittee may not be issued a citation or summons for a violation of this section more than once every twenty-four (24) hours.

(b) The defenses set forth in IC 7.1-5-7-5.1 are available to a permittee in an action under this section.

(c) Unless a person less than twenty-one (21) years of age buys or receives an alcoholic beverage under the direction of a law enforcement officer as part of an enforcement action, a permittee that sells alcoholic beverages is not liable for a violation of this section unless the person less than twenty-one (21) years of age who bought or received the alcoholic beverage is charged for violating IC 7.1-5-7-7.

(Reference is to SB 339 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Commerce, Public Policy & Interstate Cooperation.

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LONG, Chairperson